

## Message Text

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12

ORIGIN ARA-06

INFO OCT-01 SS-14 ISO-00 L-01 EB-03 TRSE-00 INR-05 NSC-05

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DRAFTED BY ARA/LA/CAR:MYOHN:JUSTICE:BBAILOR

APPROVED BY ARA:WHLUERS

ARA/LA/CAR:TJCHEAVNER

L/ARA:DGANTZ

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R 150029Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY NASSAU

C O N F I D E N T I A L STATE 090525

LIMDIS

E.O. 11652:GDS

TAGS:PINT, BF

SUBJECT:POLITICAL PAYMENTS BY GRAND BAHAMA DEVELOPMENT  
COMPANY

1. SEC FORM 10K FILED BY GRAND BAHAMA DEVELOPMENT CO.  
(GBDC) ON MARCH 31, 1976, STATES "THE COMPANY HAS MADE  
POLITICAL CONTRIBUTIONS WITHIN THE BAHAMAS DURING THE PAST  
FIVE YEARS. POLITICAL CONTRIBUTIONS ARE PERMITTED UNDER  
BAHAMIAN LAW, HAVE BEEN INCLUDED IN THE COMPANY'S  
FINANCIAL STATEMENT AS A CHARGE AGAINST INCOME AND DID NOT  
RESULT IN ANY INCOME TAX DEDUCTIONS FOR THE YEARS INVOLVED.  
NO POLITICAL CONTRIBUTIONS WERE MADE IN ANY OTHER  
COUNTRIES."

2. JUSTICE DEPT. (BAILOR) ADVISES THAT EVIDENCE IN ITS  
POSSESSION INDICATES MANNER IN WHICH PAYMENT-WAS MADE  
CONSTITUTES POSSIBLE VIOLATION OF CRIMINAL PROVISIONS OF  
BANK SECRECY ACTION, TITLE 31, U.S.C. WE UNDERSTAND THAT  
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SEC STAFF IS CONCERNED AND IS LOOKING INTO THE MATTER.

SEC IS ALSO PRESSING FOR FULLER DISCLOSURE OF DETAILS. SEC IS AWARE OF AMBASSADOR'S DESIRE TO FOLLOW MATTER CLOSELY.

3. JUSTICE ALSO ADVISES COMPANY'S STATEMENT THAT CONTRIBUTIONS DID NOT RESULT IN ANY INCOME TAX DEDUCTION

REQUIRES ADDITIONAL INVESTIGATION. BAILOR PLANS TO INVESTIGATE THIS MATTER WITH GRAND JURY IN MID-MAY 1976 BY CALLING PERSONS BELIEVED TO BE RESPONSIBLE FOR PAYMENT BEFORE GRAND JURY AND BY SUBPOENAING COMPANY BOOKS. BAILOR FEELS THAT THERE IS SUBSTANTIAL PROBABILITY THAT FURTHER DETAILS ON PAYMENTS WILL BECOME PUBLIC KNOWLEDGE AS RESULT OF SEC PRESSURE FOR MORE DISCLOSURE AND GRAND JURY INVESTIGATIONS.

4. NEITHER DEPARTMENT NOR JUSTICE HAS OBJECTION TO EMBASSY INFORMING FOREIGN MINISTER OR PRIME MINISTER OF FOREGOING. SHOULD EMBASSY CHOOSE TO DISCUSS ABOVE WITH GCOB, IT SHOULD BE KEPT IN MIND THAT WE ARE NOT YET CLEAR WHETHER THERE WILL OR WILL NOT BE ANY PUBLIC REFERENCES TO SPECIFIC INDIVIDUALS. YOU SHOULD NOT THEREFORE IMPLY ANY USG KNOWLEDGE OF SPECIFICS WHICH MAY COME TO LIGHT. EMBASSY SHOULD EXPLAIN THAT ANY INFORMATION ON PAYMENTS IS RESULT OF WIDESPREAD SEC AND JUSTICE INVESTIGATIONS WHICH HAVE RECEIVED CONSIDERABLE PUBLICITY IN US AND OTHER COUNTRIES. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** Z  
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**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
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**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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**Subject:** OLITICAL PAYMENTS BY GRAND BAHAMA DEVELOPMENT COMPANY  
**TAGS:** PINT, BF, US, GRAND BAHAMA DEVELOPMENT CO  
**To:** NASSAU  
**Type:** TE  
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